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Practical guide to condominium living



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a practical guide to condominium living



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Buying a Condominium

What exactly is a condominium?

The term CONDOMINIUM applies to a specific type of property ownership rather than to any distinct style of building. Legislation governing condominiums is under the exclusive jurisdiction of the provinces. In Ontario The Condominium Act governs condominium ownership. Originally, the Act was concerned chiefly with the registration of a condominium as a legal entity, but over the years the Act has been amended to make it more responsive to consumer needs.

Condominium ownership, whether it involves residential or industrial property, has a dual nature. A condominium owner holds negotiable title to his own unit and, at the same time, shares with fellow owners the title and cost of operation of the balance of the property constituting the condominium.

The term “condominium” doesn’t refer in any way to the physical structure of the building or building complex. Residential condominiums, for example, can be high-rise, low-rise apartments, townhouses, detached houses, stacked townhouses — any configuration of housing you can imagine. What makes them “condominiums” is not their physical structure, but the way in which owners have agreed to share ownership of common property, while retaining individual ownership of the property which constitutes their own unit.

What advantage does condominium ownership offer?

There are many advantages to condominium living. Some are:

- It is more economical, generally, than comparable, non-condominium housing.

- It enables people of moderate and middle incomes to own their own homes.

- It makes private ownership possible in areas where land values would ordinarily make this prohibitive.

- It eliminates some of the problems of upkeep and maintenance often associated with home ownership, since maintenance is usually the responsibility of a professional agency or manager.

- It enables the owner to participate in decision-making which affects the property.

What is a condominium corporation?

A condominium corporation is a legal entity created by registering a *declaration* and *description* with the appropriate Land Registry Office.

The ***description*** is a detailed plan of the layout and location of the development. It includes a survey of the land, and details the location and outlines of the buildings.

The ***declaration*** outlines what constitutes the division of ownership within the corporation by detailing the common elements, the units and the percentage ownership each owner has in the common elements. The size of the unit usually determines the percentage ownership that the owner of the unit has in the common elements.

The *by-laws* of the corporation are usually registered by the declarant and indicate how the corporation will be organized. There are also *rules* of the corporation.

The primary purpose of the condominium corporation is to manage the condominium property and business affairs. The Condominium Act provides certain standards or guidelines regarding the keeping of adequate records and the conduct of business. The Act outlines in greater detail procedures to be followed by the corporation, including the conduct of general meetings, elections and the removal and replacement of directors.

The corporation or individual owners may enforce the Act, *declaration*, *by-laws* or *rules* by taking legal action.

What's mine and what belongs to the corporation?

All condominium projects consist of two parts: the *unit*, which is individually owned; and the *common elements* which are shared and jointly owned by all of the individual owners as condominium corporation members. The declaration outlines this in detail.

However, the declaration of any two condominium corporations need not be the same. Areas designated as common elements in one condominium corporation might be parts of individual units in another. In some condominiums, the common elements begin at the exterior wall of the individual units; in others, the exterior wall of the individual unit is considered part of the unit. Such small distinctions can mean a lot when it comes to a question of payment for window-washing service or repairs to the exterior brick of a condominium townhouse. A ***unit*** usually consists of the premises in which the owner actually lives. A residential unit typically consists of a living room, kitchen, dining room, bedrooms, bathrooms, entranceway, hall and closets. Townhouses and rowhouse units might include basements and garages as well. These premises are the property of the owner and he is usually responsible for their upkeep and maintenance.

The **common elements** are the parts of the development outside the individual units. These can consist of corridors, lobbies and elevators in apartment condominium projects as well as recreational facilities, parking areas, the grounds and structural parts of buildings. Their upkeep and maintenance is an expense of the corporation.

Some areas, known as **exclusive use common elements**, are generally maintained by the corporation, although they are restricted in use to one or more owners. Generally, balconies, individual parking spaces, storage lockers and lawns in townhouse condominiums are exclusive use common elements, and the cost of upkeep and maintenance of these areas may be shared by all owners or may be paid by the owner entitled to their exclusive use.

I'm not a lawyer. How can I examine all of these documents?

Unless you are a lawyer, familiar with condominium purchase and sale, the language of these documents can be very confusing. Before signing an offer of purchase and sale, you should study all of these documents carefully yourself and then bring any doubts or questions you have on specific points to your lawyer's attention.

Some points you should consider

Before you sign the agreement of purchase and sale, take it to your lawyer to review its terms and the provisions of the documents to ensure you are properly informed and your rights are protected.

Once you receive the disclosure statement for the purchase of a new unit from a developer, the Act provides you with a 10-DAY COOLING OFF PERIOD. This allows you to terminate the agreement without cause and receive your deposit back if the rescission is in writing within the 10-day period. *This provision does not apply to a resale.*

- What are the conditions by which the developer or owner can terminate the agreement to purchase? When it is signed by both parties, an offer to purchase freezes the price of a unit. The agreement cannot be terminated arbitrarily by the developer unless you consent in writing or the developer obtains a court order.

- If you signed the offer to purchase before the development was registered, are you sure the declaration and by-laws you were shown are the same ones that were registered? If they are different, are there any changes you feel are major? If there are, you may have grounds for terminating the agreement.

- If the salesman or developer suggests that condominium units are available only to certain

groups of people (e.g. pensioners, to single adults only, etc.) be wary. Such a guarantee may be unenforceable.

- Does the developer have to accept your offer immediately, or can he consider it within a reasonable period of time before accepting? If the offer permits him to wait, can the delay affect the final purchase price of the unit?

- The ownership of a condominium unit cannot be transferred to a purchaser until the entire project is completed and registered. Look at the present state of construction of the project you are interested in. Does it seem reasonable to expect construction to be completed by the promised date?

- Any specific requirements you may have with respect to the way the unit or common elements should be completed should be set out in the agreement of purchase and sale.

Estoppel Certificate

A condominium buyer should be sure the offer is conditional upon receiving from the condominium corporation an estoppel certificate, and the accompanying documents, satisfactory to him.

This certificate discloses whether the owner is current in his common expense fees as well as a picture of the condominium corporation's affairs.

The New Home Warranty Program

Is the developer registered with the New Home Warranty Program?

This program provides protection for condominium buyers of new units in two ways. It guarantees to the buyer that any deposit or downpayment made by a purchaser of a new condominium unit up to a maximum of \$20,000 will be returned if the developer is unable to complete the transaction. It also insures the units and common elements for one year against defects and for four additional years against major structural defects. This present coverage is under review. For further information *it is important* that you contact the New Home Warranty Program at 416-488-6000.

Laws binding developer

What special laws bind a condominium developer?

The developer occupies a unique place in condominium housing. For one thing, he has a particular interest in registering the project and selling the units.

The Condominium Act regulates the developer's sales practices and his influence on the project through several important provisions:

- All money received by the developer from a unit

purchaser on account of the sale of a unit must either be held in trust by the developer or guaranteed by a NHWP deposit receipt or other prescribed security. The purchaser is entitled to interest on this money paid, from the date of occupancy closing until such time as a deed acceptable for registration is provided.

- Once a developer signs an agreement of purchase and sale, he must take all reasonable steps to register the project under the Act without delay. And he must transfer the property deed to the buyer as soon as possible, after the project is registered. This means you can't purchase a unit as a condominium and then have the developer change his mind about the condominium status and decide to rent the rest of the units instead of selling them, except in exceptional circumstances which are outlined in this booklet.

- An offer to purchase is not legally binding on the buyer unless he was given a disclosure statement which includes copies of the description, declaration, by-laws, the Insurance Trust Agreement and any existing management contracts. In addition the buyer must receive a very detailed budget statement.

- If the developer underestimates the project's common expenses for the first year, he must pay the difference in costs for one year after registration. This provision protects you from a developer who might deliberately underestimate the cost of common expenses in order to make his units appear more attractive to you.

- As a purchaser you should be aware that common expenses usually increase by at least 15 per cent in the second year after registration. However, if during the first year the condominium corporation decides to terminate its contract with the management firm — contracted for by the developer — and increases in costs result from this change in management, the developer is not liable for these increases.

- The developer must abide by all obligations specified in the agreement of purchase and sale and, from the date of registration until the management is taken out of his hands, he must keep full records of the project.

Can a developer lease units?

The developer's right to lease units is restricted by The Condominium Act. Only in exceptional circumstances will the developer be allowed to lease units in a condominium project. He may lease a unit only if:

- the tenant has entered into a written agreement to purchase the unit, or
- the lease gives the tenant an option to purchase the unit; this option must be in writing, or

– notice of the proposed lease is given in every agreement of purchase and sale or to every owner and mortgagee and no application to prohibit the leasing has been successful.

Even under these circumstances, the maximum term for a developer's lease is two years. These rules do not apply where you are purchasing a condominium in a building where leases were entered into before any sales occurred.

Who manages condominium projects?

Most condominium projects are run by management firms.

While day-to-day management decisions are normally made by a firm under contract to the corporation, final authority for policy authority decisions rests with the board of directors of the corporation. Directors are elected by corporation members for a maximum of three years. But they can be removed by a majority vote of members who together hold a majority of the units.

If the condominium corporation is unhappy with a management contract entered into by the developer or builder, the condominium legislation permits the corporation to terminate this, provided the approval of the requisite 51 per cent of the units owned is obtained and the firm is given 60 days' notice.

Unit owner controls

What control do unit owners have over condominium affairs?

The condominium owner has the right to full participation in the affairs of the condominium corporation. By ballot or show of hands, condominium owners collectively make all major decisions for the project.

Decisions made by the board of directors will directly influence the use of common elements and even what you can do with your own unit. For this reason, you should participate fully in corporation meetings and affairs.

As long as the developer or builder controls the majority of units, he can elect his own board and make all the decisions for the corporation. The Condominium Act, however, states that when the majority of units have been sold, the existing board must resign so that a new board can be elected. This ensures that the board represents the interests of the owner.

In addition, The Condominium Act ensures that all the condominium records regarding common expenses are available for examination by any owner

or mortgagee. Money paid by owners to meet common expenses must be held in a separate trust account for the condominium, thus eliminating any abuse of common funds.

Voting on condominium decisions

Who is allowed to vote on condominium decisions?

To determine who is eligible to vote, the corporation keeps a register of owners and mortgagees. This register lists the owner's name, address, unit and share of the common elements. Each owner, provided he is listed in the register, has a right to vote at members' meetings, unless he is in arrears of common expenses for more than 30 days.

When a mortgage is held against a condominium unit, the person or institution holding the mortgage may exercise the owner's voting share, provided he notifies the owner and the corporation of his intention to vote 48 hours in advance of a meeting.

Condominium living

How does condominium living affect me as a unit owner?

In some cases and for some people the effect can be profound. Condominium living may be very different from your accustomed style of life. Condominium ownership is unlike either regular home ownership or renting. The following items point out just some of these differences.

Are there restrictions on what I can do with my unit?

Yes. A condominium owner's rights of ownership are more restricted than other homeowners. The following examples indicate some of the ways in which he is limited:

- A condominium owner must abide by all the provisions of The Condominium Act, the corporation's declaration, by-laws and rules.
- No owner may damage or neglect his unit. To do so depreciates the value of the project as a whole.
- Most declarations for residential condominiums specify that units can be used only as a private, single family dwelling; they cannot be used for commercial purposes.
- Usually the owner is forbidden from any actions which could threaten the project's insurance coverage (like having a barbeque on the balcony, for example) or making any structural changes to his unit without the consent of the condominium's board of directors.

Can I lease or rent the condominium unit I own?

There is no statutory prohibition on the owner's right to lease his condominium unit. However, the owner

must notify the corporation of the lease. The lessee of the condominium unit is as responsible as the owner to the corporation and must pay common expenses if the owner fails to do so.

Unless he is restricted from doing so by provisions of the declaration, a condominium owner can sell, rent, lease or transfer title of his unit at his discretion. The tenant, of course, is bound by the same rules and regulations as the owners.

What expenses should I expect to pay when I buy my unit?

This is a question that many buyers don't consider carefully enough when purchasing a condominium. The financial obligations you will have to meet typically include:

- Mortgage payments
- Taxes
- Monthly condominium maintenance fee including reserve fund fee for emergency expenses.

- Utilities (if not included in the maintenance fee)

In addition, at the time of purchase, the following expenses usually have to be met:

- Down payment
- Land transfer tax
- Lawyer's fees
- Adjustments
- Ontario New Home Warranty Program Fee

When a buyer takes possession of a condominium unit, he often has to pay certain expenses back to the previous owner. These expenses, known as **adjustments**, can include utilities and common expenses paid in advance, or money held for the unit in the project's reserve fund.

Look carefully into the matter of costs you will have to pay to maintain your unit. Consider the following when you prepare your cost estimates:

- Are there any hidden charges to pay when you close the purchase? For instance, are you required to pay operating expenses in advance?
- What services are included in common expenses? Are utilities, for example, a common or an individual expense?
- What will the monthly operating cost be?

Does the estimate of maintenance charges you were given seem like a reasonable one? Bear in mind that you are directly responsible for your share of the operating expenses of the project. You and other project owners will have to increase your monthly expense payments, if necessary, to keep up with rising costs.

I've found a condominium that looks good to me.

How can I evaluate it?

If people are already living there, talk to some of them. They can fill you in on the quality of construction, how well the condominium is managed and what problems they have run into. You can also see whether they are the kind of people you will like as neighbors and whether condominium living is right for you and your family.

Evaluating a condominium that is just getting started is a little more difficult. Consider whether the neighborhood seems to be growing into a pleasant residential area or whether there are indications that commercial or industrial building may be in process; the type of neighborhood will affect the resale value of your unit.

If some units have been completed it may pay you to call in a residential architect to check the quality of construction; you will have to pay for repairs to your own unit and share the cost of repairs to the common elements. Ask what steps have been taken to sound-proof walls and floors between living units. Adequate sound control can be a major headache in a multi-family dwelling.

Living in a Condominium

Our condominium project has just been registered. When will I get a say in how it is run?

Even after registration, the developer may have effective control of the project until more than 50 per cent of the units have been sold and the deeds transferred to the owners.

To protect the owners' interest, THE CONDOMINIUM ACT requires that within 42 days after the developer loses majority control of the project, all of the new owners must be called together to elect a board of directors.

May I decorate my unit any way I want?

Every condominium has varying restrictions which set out the declaration and the by-laws.

Some examples are:

- you may be able to decorate the inside of your unit as you wish but you may not do anything that changes the appearance of the building or the exterior;
- any outside painting requires board approval;
- you may require permission from your board to have a flower or vegetable garden;
- you may not build a backyard 'jungle gym' or other kind of play structure, such as a sandbox, on the grounds of the common elements. It may be possible for you to get permission from the corporation to do so on exclusive-use common elements.

If you want to tear down a wall, or add a built-in dishwasher, you will probably have to obtain the permission of your board of directors.

May anyone enter my unit without permission?

The Condominium Act states that any person authorized by the corporation may enter any unit at any reasonable time. This individual may correct any conditions which violate the project's insurance policy or which could cause damage to the property. The unit owner may be charged for costs in remedying deficiencies. The corporation is entitled to request keys to all units for emergency use.

Who is responsible for repairs?

Repairs to common elements are the responsibility of the board of directors or the management agency under the board's control. This means, for example, that if the foyer in a condominium apartment building has been damaged, the condominium corporation must take care of the repair, with the cost shared by all of the owners out of the common expense. If a unit owner is responsible the corporation may seek to recover the cost of the repairs.

Maintenance to parts of the common elements which are exclusively used by the unit owner — such as the front doors of a condominium townhouse — may be the responsibility of the individual owner or of the corporation, depending on what the builder provided for in the declaration.

If repairs must be made inside your unit — if your sink, for example, doesn't drain — the responsibility for the repairs is normally yours. For this reason it is a good idea, in a new project where appliances have been provided, to find out about the guarantees and warranties. Where should such appliances be repaired? Are you responsible for parts and labor costs? The builder is not responsible for such costs, nor is the corporation.

May I withhold my maintenance payments if I'm not happy with the service?

No. You are legally bound to pay the monthly maintenance payment whether or not you are happy with service. Maintenance costs may include the cost of insurance, bookkeeping and clerical costs, and costs for the physical upkeep of the property. If you do not make your maintenance payments, the corporation can put a lien against your property for the amount owing, interest and the legal costs incurred. The mortgagee may pay the arrears and add the amount to the principal outstanding on the mortgage. If the mortgagee does not pay the arrears, the corporation can sell your unit and collect what is owing.

If you aren't pleased with maintenance, complain to the property manager. If you don't get results, go to the board of directors and bring the matter up at the next general meeting. If it is proven that the property manager or his agency is not fulfilling the terms of the management agreement, the board can take action to have new management hired.

Are people allowed to canvass for political candidates on condominium property?

The Condominium Act specifically recognizes the right of political canvassers to have access to citizens at reasonable hours. And a corporation or person restricting their access may be subject to a court-imposed fine.

Do I have to get involved?

In many ways, a condominium community operates much like a small town. Local residents elect a town council; condominium unit owners elect a board of directors to take responsibility for the running of the condominium corporation.

You don't have to get involved, but you would be wise to take part . . . after all, you've made an investment in your unit and the portion of the common

elements you have bought. The least you can do is attend general meetings and vote on the issues. All participatory democracies — and the condominium corporation is no exception — work best with the active interest of all members.

I'd like to be on the board of directors. What should I do?

Let the people in your project know that you would like — and have the qualifications to handle — the job. If you are living in a new project, a meeting must be held 42 days after the declarant or builder no longer holds majority ownership of the units. A new board, replacing the developer's board, will be elected at that time.

Under The Condominium Act, there must be at least three directors on the corporation's board. Your corporation's by-laws may specify that there are to be up to five directors who will serve as officers of the corporation.

Usually, the general meeting doesn't designate the directors' positions on the Board and it is left to the elected individuals to decide who will hold what position. Sometimes the offices are allocated according to the number of votes received.

Directors may be elected for terms of up to three years and may run for re-election. Ideally, directors should serve different terms, since it is a good idea to elect them in rotation. That way, there will always be experienced individuals on the board.

Directors may be removed from office by a vote of the members who together own a majority of the units, who in turn elect another eligible person to complete the unexpired portion of the removed director's term. If a vacancy occurs on the board due to a resignation or death, The Condominium Act allows the board to appoint an eligible individual to fill the vacancy until the next annual meeting.

What is my job as a director?

As elected representative of the owners, the board takes responsibility for managing the condominium property and its business affairs. The Condominium Act requires that at least a majority of the directors be present for the board to transact business.

Every board has certain duties, specified under the Act. It must keep adequate records and these must be available for inspection by members of the corporation. In addition, the board is responsible for enforcing the provisions of the Act, the declaration, the by-laws and the rules.

The by-laws of the individual corporation elaborate on the duties of the board. In general, the directors are responsible for the upkeep and the maintenance

of the project and other business matters, usually by supervising the actions of the property manager.

Directors also have other specific powers as elected representatives of the condominium corporation. They can hire personnel — either individuals or management agencies — to maintain the common elements. They can enter into legal contracts and, with the requisite consent of those who own at least 80 per cent of the units, can acquire additional property or sell existing property.

Each officer of the board has a specific function: the president presides over board meetings, sets programs and is charged with the responsibility for the corporation's affairs. The vice-president assists and can substitute in the president's absence. The general manager, where there is one, serves as liaison between the board and the property manager or management company.

The secretary keeps the records for the corporation, gives notices of meetings and is responsible for the list of owners. Other duties of the position include; preparing business correspondence and providing the mortgagees (who have notified the corporation of their right to vote) with notices of meeting and copies of the minutes of meetings. The secretary may also be charged with ensuring that by-laws and amendments to the declaration and description are registered with the appropriate Land Registry Office.

The treasurer is responsible for expenditures and financial records. Generally, the hired property manager or management company takes care of all day-to-day business affairs of the corporation, reporting to the treasurer by means of financial statements.

Since the treasurer and the board of directors have ultimate responsibility for the business affairs of the corporation, no hired management company should be given a free hand with expenditures. For example, the treasurer should be required to co-sign any cheques made out by the property manager.

Board meetings, generally called by the president, should be held on a regular basis.

What are the responsibilities of the property manager?

The property manager, as the name suggests, takes care of the day-to-day management of the property, with direct responsibility to the board of directors of the corporation. He is the employee of the Board.

On the authority of the board, the property manager is responsible for collecting and disbursing common expense money. This money, which must be held in a trust account, is used to maintain and repair the property, pay insurance premiums, etc.

What makes a good director?

Directors, although they usually receive no fee for their work, are expected to take on a great deal of responsibility. Their decisions have far-reaching consequences and they are responsible for large sums of money.

It is important that a director possess some expertise in business matters. A working knowledge of the legal intricacies of condominium living would also be a tremendous asset to any director.

Directors must consider carefully any business decisions they make. They should receive advice from several sources before hiring a management company, and they should make sure there is a cancellation clause included in such a contract. It is often wise to seek legal advice on contractual matters since such undertakings can involve large sums of money.

For the protection of the condominium owners who must indemnify the directors for action they might take (unless such actions are dishonest), the condominium corporation should take out director's liability insurance.

How are general meetings run?

The Condominium Act requires that annual meetings must be held no more than 15 months apart. In addition, a general meeting must be called within three months after a project is registered.

General meetings are run like meetings of any other corporation. A chairman, usually the president, will be appointed for each meeting and remarks will be addressed to him or her. The chairman's permission is required to address the floor. Minutes of the meeting must be kept to record any decisions put to a vote. Motions will be presented and seconded; there will be discussion on the motion and then the motion is put to a vote.

Issues of general concern will be brought forward by members of the corporation and meetings will receive reports on the condominium affairs, elect directors to the board, appoint an auditor or accountant and establish accounting and auditing fees.

Attendance at general meetings normally is restricted by the by-laws. Usually only owners, agents of the corporation and those individuals or agents holding mortgages on the property may attend. Others must have approval of the members, or chairman of the meeting, before being allowed to attend.

Who is allowed to vote?

To determine who is eligible to vote, the corporation keeps a register of owners and mortgagees. This register lists the owner's name and address. Each owner, provided he is listed in the register, has the

right to vote at members' meetings, unless he is in arrears of common expenses for more than 30 days.

When a mortgage which includes an assignment of voting rights is held against a condominium unit, the person or institution holding that mortgage may exercise the owner's voting rights, provided the owner and the corporation are notified 48 hours in advance of the meeting.

An owner who cannot attend a corporation meeting can give someone else a proxy to vote in his place.

I would like to have a by-law changed. What should I do?

In theory, members of the condominium corporation have almost unlimited power to change the documents by which they live.

In practice, however, amending these documents isn't easy. Changing the declaration or the by-laws will take a great deal of perseverance on your part.

The Condominium Act requires UNANIMOUS CONSENT of all members or a court order on limited grounds before a declaration can be amended. By-laws can be made or amended by the board by resolution and confirmed by a vote of members who own at least 51 per cent of the units.

Suppose, for example, you want to have a by-law for air-conditioning units in your corporation. To make this change, you need the support of 51 per cent of the units.

Perhaps the easiest route would be to circulate a petition urging that the by-law be changed. Owners who support your stand can promise to vote for the change at the next meeting or assign to you, in writing, their vote by proxy.

What do I have to do to have the Condominium Act, the Declaration, the By-laws and the Rules enforced?

Each owner has the right to have the provisions of these documents enforced. At the same time, the board of directors has the responsibility to see that they are enforced.

Let's suppose that your neighbor is building a fence outside his townhouse on his exclusive use common elements.

You know that the owner has not received the approval of the board or the corporation to build the fence.

You should, as a first step, speak with your neighbor. The problem may be resolved at this level. If this doesn't work, you should go to the property manager and then, if necessary, to the board of directors. The directors are required to have the owner dismantle the fence at his or her expense. Faced with continuing

refusal to do so, the directors can arrange to have the fence taken down, charging the owner for the expenses incurred. A refusal to pay this could result in the owner being taken to court and forced to pay the total costs involved.

The rules governing a condominium project are made to ensure that no changes are made which are not in keeping with the original design and this will probably include landscaping and color scheme. Uniformity will help keep your property value high, since all common elements and properties are maintained at the same high level.

How is a condominium project insured?

The Condominium Act specifies that the corporation must insure its obligation to repair to replacement value of the buildings.

The insurance premiums are part of the common expenses that all owners pay. While insurance covers the full replacement value of the units and common elements, it does not cover the improvements or the personal property of the owner.

A copy of the insurance agreement is provided at the time of signing the offer. It will help to establish what insurance you should arrange for yourself. It might be useful to contact an agent for advice.

The board of directors may decide to terminate an insurance contract at any time, perhaps to take advantage of lower insurance rates. In any case, the board will have to give the insurance company written notice, and may have to get consent of any mortgagees.

If damage occurs to the condominium property covered by the insurance contract, the insurance company should be contacted in writing. Usually the board will then take charge of appraisals, hiring contractors or whatever else is necessary to effect repairs.

The directors should have the condominium assets appraised from time to time to determine that insurance needs are being met.

What about additional facilities for recreation?

Could a condominium corporation buy a golf course?

Yes, it may. A corporation does have the power to purchase property on behalf of the condominium. It is possible that it could purchase a golf course or even a small farm for members to grow their own produce. Such a purchase would have to be for the use and benefit of the owners, not for investment purposes.

It is more usual, however, for a condominium corporation to decide to extend existing facilities on its own property by the addition of further structures

— a day care or recreation centre, for example.

If the addition, alteration or renovation is major, a majority vote of 80 per cent of the owners is required. If you disagree, but still want to keep your unit, you will have to pay the increased assessment. If you decide to move out, The Condominium Act provides that the corporation is required to buy back your unit at fair market value.

Where can I get more information on my rights and responsibilities as a condominium owner?

First of all, read carefully all the documents you were given at the time you signed your offer to purchase and read The Condominium Act. They outline what the by-laws of your corporation are, what constitutes the common elements and individual units, etc. This information is the real key to where you stand. In any case, legal advice should be sought with specific problems you might encounter as an owner. Referral to a condominium lawyer may be obtained by calling the information hot-line of the Canadian Condominium Institute (CCI) at (416) 736-9267.

CCI is a national, non-profit organization founded in 1982 to serve the needs of the condominium community across Canada. The Institute aims to inform unit owners about condominium life, to equip directors and managers with specialized management skills and to establish professional standards within the condominium industry.

CCI's Legislative Committee strives to improve condominium legislation by making representation to government bodies on behalf of the condominium community.

CCI members may appeal to the Institute for information on how to resolve condominium problems. A CCI Arbitration Service is available to help members resolve disputes at a minimal cost.

Contact:

Canadian Condominium Institute

4800 Dufferin St., Downsview, Ont. M3H 5S9

Call (416) 736-9267 for more information.

The Ontario Condominium Act

1980

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Insert this index into your copy of the Condominium Act for easy reference to pertinent sections

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Ontario Govt. Publ'n. Monthly
Vol. 17, no.11 Nov. 1987

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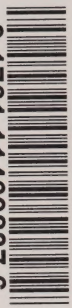
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